

# HOUSE . . . . . No. 2568

By Mr. Cabral of New Bedford, petition of Emile J. Goguen for  
legislation to reduce the sales tax to four percent. Revenue.

## The Commonwealth of Massachusetts

In the Year Two Thousand and Five.

### AN ACT TO REDUCE THE SALES TAX.

*Be it enacted by the Senate and House of Representatives in General  
Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. Section 2 of chapter 64H of the General Laws, as  
2 appearing in the 2002 Official Edition, is hereby amended by  
3 striking out, in line 3, the word “five” and inserting in place  
4 thereof the following word:— four.

1 SECTION 2. Said chapter 64H is hereby further amended by  
2 striking out section 4, as so appearing, and inserting in place  
3 thereof the following sections:—

4 Section 4. For the purpose of adding and collecting the tax  
5 imposed by this chapter, or an amount equal as nearly as possible  
6 or practicable to the average equivalent thereof, to be reimbursed  
7 to the vendor by the purchaser, the following formula shall be in  
8 force and effect as follows, except as otherwise provided in  
9 section four A:—

10 Amount of Sale	Amount of Tax
11 \$0.01 to \$0.09, inclusive	no tax
12 \$0.10 to \$0.34, inclusive	1 cent
13 \$0.35 to \$0.59, inclusive	2 cents
14 \$0.60 to \$0.84, inclusive	3 cents
15 \$0.85 to \$1.09, inclusive	4 cents

16 In addition to a tax of four cents on each full dollar, a tax shall  
17 be collected on each part of a dollar in excess of a full dollar in  
18 accordance with the above formula.

19 Section 4A. (a) An additional excise is hereby imposed upon  
20 sales at retail in the commonwealth, by any vendor, of tangible

21 personal property, as described in this section, at the rate of one  
22 percent of the gross receipts of the vendor from all such sales of  
23 such property. The excise shall be paid by the vendor to the com-  
24 missioner at the time provided for filing the return required by  
25 section sixteen of chapter sixty-two C.

26 (b) For the purpose of adding and collecting the tax imposed by  
27 section two and by this section, or an amount equal as nearly as  
28 possible or practicable to the average equivalent thereof, to be  
29 reimbursed to the vendor by the purchaser, the following formula  
30 shall be in force and effect as follows:—

31 Amount of Sale	Amount of Tax
32 \$0.01 to \$0.09, inclusive	no tax
33 \$0.10 to \$0.29, inclusive	1 cent
34 \$0.30 to \$0.49, inclusive	2 cents
35 \$0.50 to \$0.69, inclusive	3 cents
36 \$0.70 to \$0.89, inclusive	4 cents
37 \$0.0 to \$1.09, inclusive	5 cents

38 In addition to a tax of five cents on each full dollar, a tax shall  
39 be collected on each part of a dollar in excess of a full dollar in  
40 accordance with the above formula.

41 (c) The following tangible personal property shall be subject to  
42 tax pursuant to the provisions of this section:—

43 (1) meals consisting of any of the sales of items defined as food  
44 products in paragraph (h) of section six for consumption on or off  
45 the premises where sold.

46 (2) sales of articles of clothing, including footwear, intended to  
47 be worn or carried on or about the human body in the amount in  
48 excess of one hundred and seventy-five dollars of the sale price on  
49 any article of clothing.

50 (3) sales of motor vehicles in the amount in excess of twenty-  
51 five thousand dollars of the sales price of any motor vehicle.

52 Section \_\_\_\_: The Governor shall appoint a special commission  
53 to review all statutory exemptions from the Commonwealth's sales  
54 tax, which shall be composed of one individual nominated by the  
55 Massachusetts Taxpayer's Foundation, who shall serve as Chair,  
56 the Secretary of Health and Human Services, the Commissioner of  
57 Education, the House and Senate chairs of the Joint Committee on  
58 Education, the Joint Committee on Human Services and Elderly  
59 Affairs and the Joint Committee on Health Care, one individual

60 nominated by the Massachusetts AFL-CIO and one individual  
61 nominated by the Tax Equity Alliance of Massachusetts. Said  
62 nominations shall be submitted to the office of the Governor no  
63 later than sixty days from the date of the effective date hereof and  
64 shall first meet in a location to be chosen by the Chair no later  
65 than sixty days thereafter. The commission shall issue a report  
66 containing its recommendations, including proposed legislation,  
67 no later than 180 days following its first meeting and shall submit  
68 said report and draft legislation to the Governor, the Speaker of  
69 the House of Representatives and the President of the Senate.  
70 Said recommendations shall include changes to said existing  
71 statutory exemptions from the sales tax which would produce rev-  
72 enue to the Commonwealth equal, in the Commission's view, to  
73 any possible loss in revenue caused by the reductions contained in  
74 Section 1 hereof during the first full fiscal year immediately  
75 following the issuance of the Commission's report.

1     SECTION 3. This act shall take effect on January first, two  
2     thousand five.